



Rent Setting Spot Check – June 2024

KPMG carried out a spot check of Curo's rent-setting arrangements for the 2024/25 financial year. The review considered formula rents across Curo's general needs and supported housing properties, including compliance with the Rent Standard, annual rent increases and the communication of revised charges to customers.

The review covered 10,963 properties and achieved a **99% compliance rating**. As this was a spot check rather than a full internal audit, KPMG did not provide a formal assurance rating. KPMG found that formula rent calculations were supported by complete data and identified no errors in Curo's calculation of formula rent. A sample of 25 customer rent letters was also found to have been accurate and issued within the required timescales.

The review nevertheless identified three areas requiring improvement. This included 73 properties where annual rent increases had exceeded the level permitted by the Rent Standard; historic arrangements relating to a small number of temporary accommodation properties which required review; and eight properties where rents exceeded limits contained within Section 106 agreements.

Curo agreed corrective action, including applying the correct rent charges and refunding customers and relevant agencies where overcharging had occurred. Curo also commissioned a wider review of rent controls and agreed to strengthen quality assurance and system controls to reduce the risk of similar errors occurring in future. Arrangements relating to temporary accommodation were also to be reviewed with the relevant local authority.